

Message Text

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ACTION ARA-14

INFO OCT-01 ISO-00 SSO-00 CIAE-00 DODE-00 NSAE-00
NSCE-00 ICAE-00 INRE-00 PM-05 H-01 INR-10 L-03
PA-01 SP-02 SS-15 COME-00 EB-08 LAB-04 SIL-01
AID-05 OC-06 CCO-00 PC-01 TRSE-00 OMB-01 ACDA-12
SY-05 MCT-02 A-01 OPR-02 HA-05 /105 W
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O R 202220Z JUL 78

FM AMEMBASSY MANAGUA

TO SECSTATE WASHDC IMMEDIATE 7183

USDOC WASHDC

INFO AMEMBASSY GUATEMALA

AMEMBASSY SAN JOSE

AMEMBASSY SAN SALVADOR

AMEMBASSY TEGUCIGALPA

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E.O. 11652: N/A

TAGS: BEXP, ECON, ELAB, PINS, NU

SUBJECT: GENERAL WORK STOPPAGE OF JULY 19

REFS: A) MANAGUA 3138, B) MANAGUA 3274

1. LAST WEEK THE BROAD OPPOSITION FRONT (FAO) CALLED
FOR A ONE-DAY GENERAL WORK STOPPAGE TO TAKE PLACE ON JULY 19
TO PROTEST THE SOMOZA REGIME AND ITS REPRESSION OF THE HUMAN
AND DEMOCRATIC RIGHTS OF THE NICARAGUAN PEOPLE. EMBASSY
SOURCES AT THAT TIME INDICATED THAT THE PRIVATE SECTOR
AT FIRST WAS OPPOSED TO A GENERAL WORK STOPPAGE BUT THAT
THEIR OPPOSITION TURNED TO ACQUIESCENCE. (SEE REF).

2. VIEWS AS TO THE SUCCESS OF THE STRIKE WHICH WAS HELD
YESTERDAY VARY ACCORDING TO THE SOURCE OF INFORMATION.
A SURVEY CONDUCTED BY EMBOFFS OF MANAGUA'S COMMERCIAL CENTERS
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PERCENT OF THE LARGER INDUSTRIES WERE CLOSED FOR THE ENTIRE
DAY WHILE ONLY ABOUT THIRTY PERCENT OF RETAIL
ESTABLISHMENTS WERE CLOSED IN THE MORNING. APPROXIMATELY
NINETY PERCENT OF COMMERCIAL ESTABLISHMENTS HAD CLOSED
BY THE AFTERNOON, HOWEVER. THE PHENOMENON OF COMMERCIAL
ESTABLISHMENTS WHICH OPENED IN THE MORNING CLOSING LATER
IN THE DAY IS PROBABLY ATTRIBUTABLE TO THE LACK OF

CUSTOMERS. ONE BUSINESSMAN(THE MANAGER OF A COMPANY WITH SOMOZA INTERESTS) INDICATED THAT 95 PERCENT OF MANAGUA'S INDUSTRIES WERE OPERATING BEHIND CLOSED DOORS, ALTHOUGH THEY WOULD APPEAR TO THE CASUAL OBSERVER NOT TO BE OPERATING. BANKS, SOMOZA ENTERPRISES, AND GON OFFICES WERE OPEN. ALSO OPEN WAS CASA PELLAS, ONE OF THE CITY'S LARGEST COMMERCIAL ESTABLISHMENTS, WHICH IS CONTROLLED BY THE PELLAS FAMILY, NICARAGUA'S SECOND WEALTHIEST FAMILY GROUP. (NOTE: ALFREDO PELLAS, PRESIDENT OF THE LARGE COMMERCIAL BANK, BANCO DE AMERICA AND CONTROLLER OF THE PELLAS FAMILY INTERESTS, REMARKED TO THE AMBASSADOR SOME WEEKS AGO THAT HE FAVORS A DIALOGUE WITH THE REGIME AND SEES POLITICAL COMPROMISE AS THE ONLY SOLUTION TO NICARAGUA'S CURRENT PROBLEMS.) PUBLIC TRANSPORTATION WAS OPERATING ALTHOUGH BUS SERVICE APPEARED SPORADIC.

E. EMBOFF WHO HAPPENED TO BE TRAVELLING THROUGH THE CITY OF LON SAID THAT ALL ESTABLISHMENTS, INCLUDING SMALL STORES, WERE CLOSED IN THAT CITY. EMBASSY SOURCES INDICATE THAT SUPPORT FOR THE WORK STOPPAGE WAS STRONG IN OTHER CITIES AS WELL, NOTABLY MASAYA AND GRANADA.

3. NATIONAL GUARDSMEN(GN) WERE IN EVIDENCE AT THE COMMERCIAL CENTERS AROUND MANAGUA AND HEAVIER-THAN-NORMAL VEHICLE PATROLS WERE SIGHTED IN THE INDUSTRIAL AREA.

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4. NO INCIDENTS OF CONFRONTATIONAL VIOLENCE WERE REPORTED IN MANAGUA, ALTHOUGH A BOMB WAS THROWN AT THE FACTORY OF NABISCO CRISTAL, A SUBSIDIARY OF NABISCO INC., (SEE REF B), AND THERE WERE OTHER BOMB BLASTS AT NIGHT WHICH APPARENTLY CAUSED NO DAMAGE.

5. OUTSIDE MANAGUA,TWO DEATHS WERE REPORTED -- ONE IN ESTILI AND ONE IN MASAYA. PRESS REPORTS INDICATE THAT THE PERSONS WERE SHOT AFTER FIRING UPON GN PATROLS. A COMMERCIAL ARSS OUTLET IN ESTELI WAS RAIDED AND ABOUT TWENTY GUNS AND OVER 11,000 ROUNDS OF SMALL ARMS AMMUNITION WERE REPORTEDLY TAKEN. ALTHOUGH PRIVATELY OWNED, THE STORE WAS OPERATED UNDER A CONCESSION GRANTED BY THE NATIONAL GUARD.

6. LABOR UNION BACKING OF THE STRIKE AND FEAR OF RETALIATION TO FIRMS WHO DID NOT ADHERE TO THE GENERAL WORK STOPPAGE WERE PROBABLY FACTORS IN SUPPORT OF THE STRIKE. ONE LOCAL BUSINESSMAN INDICATED THAT HIS WORKERS CAME TO HIM AND ANNOUNCED THAT THEY WERE NOT GOING TO WORK. OTHER SOURCES INDICATED THAT SOME

BUSINESSMEN RECEIVED PHONE CALLS THREATENING VIOLENCE TO THEIR FACTORIES OR STORES IF THEY OPENED ON JULY 19.

7. COMMENT: ALTHOUGH A MODERATE DEGREE OF SUPPORT WAS GIVEN TO THE WORK STOPPAGE BY THE BUSINESS SECTOR, UNDERLYING MOTIVES APPEAR TO DIFFER FROM FIRM TO FIRM. ALTHOUGH SOME BUSINESS MEN GENUINELY BACKED THE WORK STOPPAGE, OTHERS WHO PARTICIPATED MAY HAVE FEARED FOR THE SECURITY OF THEIR FACILITIES OR WERE ENCOURAGED TO GO ALONG BY THEIR WORKERS. THE ENTHUSIASM OF SOME WAS TEMPERED BY A FEELING THAT THE STRIKE HAD NO DEFINITE OBJECTIVE AND THEREFORE WOULD ACCOMPLISH NOTHING. THESE BUSINESS PEOPLE WOULD PREFER TO LIMIT THE USE OF WORK STOPPAGE AS POLITICAL STATEMENTS TO "IMPORTANT" BUT LIMITED OFFICIAL USE

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UNDEFINED EVENTS. BACKING FOR THE WORK STOPPAGE OUTSIDE BUSINESS/LABOR CIRCLES IS SIMILARLY DIFFICULT TO JUDGE. ALTHOUGH VERY FEW CUSTOMERS WERE SEEN PATRONIZING THOSE STORES WHICH WERE OPEN, THIS LACK OF COMMERCIAL ACTIVITY COULD HAVE BEEN ROOTED IN SUPPORT OF THE EVENT, FEAR FOR PERSONAL SECURITY, OR THE FACT THAT MOST SHOPPING HAD BEEN PERFORMED IN ANTICIPATION OF THE STRIKE. THE WEATHER (I.E., IT RAINED ALL DAY) MAY ALSO HAVE DIMINISHED COMMERCIAL ACTIVITY. THE GENERAL WORK STOPPAGE OF JULY 19 DID NOT HAVE THE SAME DEGREE OF SUPPORT AS DID THE INITIATION OF THE TWO-WEEK GENERAL WORK STOPPAGE OF JANUARY/FEBRUARY. THIS MAY HAVE BEEN BECAUSE THIS WORK STOPPAGE WAS CALLED BY A POLITICAL GROUP AND WAS NOT INITIATED BY THE PRIVATE BUSINESS SECTOR. SOME SOURCES HAVE ALSO EXPRESSED CONCERN THAT THE BUSINESS SECTOR'S FURTHER PARTICIPATION IN DIRECT ACTION MAY BE INTERPRETED AS BACKING VIOLENT, MARXIST INSURRECTIONIST TACTICS WHICH HAVE RECENTLY BECOME SALIENT. DISAGREEMENT WITHIN THE PRIVATE SECTOR OVER THE APPROPRIATENESS, PROBABLE EFFECTIVENESS, AND TIMING OF THE WORK STOPPAGE REFLECTS, AT LEAST IN PART, THE GENERAL LACK OF COHESION AND DIRECTION WHICH HAS AFFLICTED THIS GROUP IN ITS OPPOSITION TO THE SOMOZA REGIME.

8. POLITICAL SECTION COMMENT: THE WORK STOPPAGE APPEARS TO HAVE BEEN A DRAW. THE GOB, SOME BUSINESS PEOPLE, AND RADICAL OPPOSITIONISTS PROBABLY FEEL THAT AS PRESSURE ON THE GOB IT WAS A FAILURE. ON THE OTHER HAND, THE POLITICAL AND BUSINESS ELEMENTS (MAINLY ROBELO'S MDN) WHICH SUPPORTED THE WORKSTOPPAGE HAVE SEEN THAT MANY BUSINESSES CAN BE PRESSURED TO CLOSE DESPITE THEIR RELUCTANCE TO DO SO. THEY LIKELY BELIEVE THAT THEY HAVE DEMONSTRATED THE REPLICABILITY OF WORK STOPPAGES AND CAN EMPLOY THIS FORM LIMITED OFFICIAL USE

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OF PRESSURE IN AN INCREMENTAL FASHION IN THE FUTURE.
HOWEVER, IT IS OUR JUDGEMENT THAT UNLESS THERE IS A
WELL PERCEIVED JUSTIFICATION FOR FURTHER WORK STOPPAGES
OR GREATER INTIMIDATION BY REVOLUTIONARIES, THERE WILL
BE INCREASING FUTURE RELUCTANCE TO SUPPORT OR ACQUIESCE
IN THEM IN THE COMMERCIAL AND INDUSTRIAL SECTORS.
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